



November 25, 2015

# Montana Healthcare Programs Notice

## Physicians, Mid-Level Practitioners, and Public Health Clinics

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### Update

## Compound Drugs Billed on CMS-1500

This notice replaces the notice dated October 1, 2015.

A new code, J7999, was established for billing physician-administered compound drugs effective January 1, 2016. Code Q9977 is being retired December 31, 2015.

**Montana Medicaid will not accept J3490-KX or Q9977 for compound drugs for dates of service after December 31, 2015.** For date of service January 1, 2016 and after, the above providers should bill all compound drugs as J7999. The N4 qualifier followed by the NDC, unit of measure, and quantity of the primary ingredient must be above the date of service in Box 24A.

A copy of the invoice from the compounding pharmacy must be attached to the claim. Reimbursement is the cost to the provider (invoice amount) for the amount given. You may also bill the appropriate CPT code for the administration fee.

Montana Medicaid shall reimburse for compound physician administered drugs only if the member's drug therapy needs cannot be met by commercially available dosage strengths and/or forms of the therapy.

Each claim must be submitted to:

Hospital and Physician Services Bureau  
P.O. Box 202951  
Helena, MT 59620-2951

The original invoice or copy of the original invoice must be attached to each CMS-1500. The invoice must include:

- Member's name and Medicaid ID
- Name and NDC of primary ingredient used in the compound
- Dosage given
- Invoice pricing

## Contact Information

For claims questions or additional information, contact Provider Relations at 1-800-624-3958 (toll-free, in/out of state) or 406-442-1837 (Helena) or via e-mail at [MTPRHelpdesk@xerox.com](mailto:MTPRHelpdesk@xerox.com). Visit the Montana Healthcare Programs Provider Information website at <http://medicaidprovider.mt.gov/>.